C I B C R

SERVICE SECTOR INDICATORS

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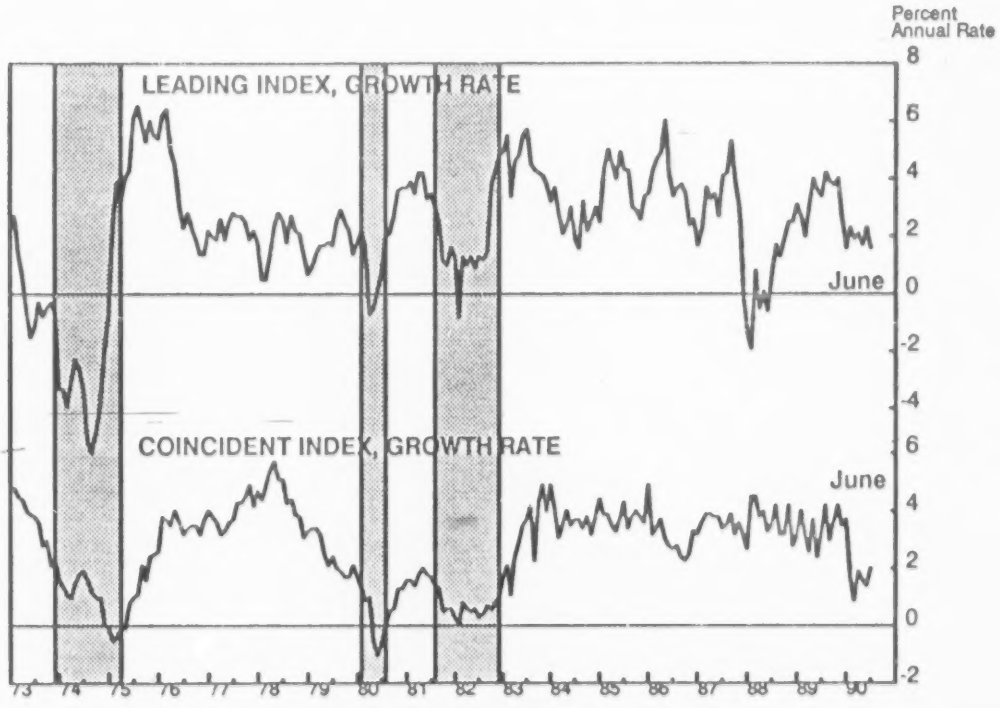
SERVICES LEADING INDEX DROPS

The leading index of service sector activity, compiled by the Columbia Business School's Center for International Business Cycle Research, fell from a revised 158.0 in May to 157.7 in June pulling its annualized growth rate down from a revised 2.3 percent in May to 1.6 in June. The drop was caused by declines in construction contracts for commercial buildings and in the profit margin in services series, offset in part by a rise in service sector stock prices.

Meanwhile, the coincident index of service sector activity rose a full point from a revised 192.3 in May to 193.3 in June, raising its annualized growth rate from a revised 1.4 in May to 2.0% in June. The index was pushed up by rises in personal consumption expenditures, labor income and employee hours in the service sector.



Shaded areas represent business cycle recessions.

LEADING INDEX OF SERVICES, AND COMPONENTS

	Leading Index* (1967=100)	Leading Index Growth Rate (%)	Average Workweek, Services (hours)	Construction Contracts, Commercial Buildings (mil. sq. ft., ann. rate)	S&P Stock Price Index, Services, (Mar. 87=100)	Index of Profit Margins, Services (1982=100)
	1.	2.	3.	4.	5.	6.
1988:						
Sept.	150.8	2.0r	32.88	790r	91.0	113.4
Oct.	151.2	2.5	32.96	756r	94.3	112.5
Nov.	151.3	2.5r	32.77	802	91.7	114.3
Dec.	152.0r	3.1r	32.91	806r	92.9	113.8
1989:						
Jan.	152.1	2.7r	32.95	870r	95.2	111.6
Feb.	151.9r	2.0r	32.75	723r	98.7	113.0
Mar.	153.0	3.1	32.81	788r	98.5	114.6
Apr.	154.1r	4.0r	33.07	782r	102.5	113.1
May	154.2r	3.6r	32.75	799r	108.0	114.8
June	154.5	3.4	32.76	840r	111.6	113.6
July	155.6	4.2	33.03	781r	116.5	112.7
Aug.	155.8	3.9	32.72	780r	121.9	114.8
Sept.	156.2	3.8	32.81	820r	122.1	113.6
Oct.	156.8	4.0	32.95	810r	122.6	113.0
Nov.	156.1	2.6	32.74	717	120.1	114.1
Dec.	155.7r	1.6r	32.73	640r	120.6	112.6
1990:						
Jan.	156.6r	2.3r	32.69	775r	116.5	114.9
Feb.	156.6r	1.9r	32.81	632r	112.1	115.4
Mar.	157.2r	2.1	32.86	677r	114.6	114.5
Apr.	157.2	1.7	32.92	652r	113.8	113.7
May	158.0r	2.3r	32.83r	715r	117.3	114.7
June	157.7	1.6	32.84	601	119.2	113.8

COINCIDENT INDEX OF SERVICES, AND COMPONENTS

	Coincident Index* (1967=100)	Coincident Index Growth Rate (%)	Services Output, GNP (bil. 1982$, ann. rate)	Services, Personal Consumption Expenditures (bil. 1982$, ann. rate)	Services Labor Income (bil. 1982-84$ ann. rate)	Service Employee Hours (bil., ann. rate)
	7.	8.	9.	10.	11.	12.
1988:						
Sept.	184.2	3.2	1886.1	1285.6	673.6	109.2
Oct.	185.7	4.2	1891.4	1297.5	680.3	110.3
Nov.	184.9	2.8	1896.7	1292.6	672.6	110.0
Dec.	185.8	3.1	1899.5	1295.5	678.5	110.8
1989:						
Jan.	187.2	4.0	1902.3	1297.1	693.2	111.5
Feb.	187.0	3.2	1905.1	1311.7	683.7	111.2
Mar.	186.8	2.6	1910.0	1311.2	679.9	111.2
Apr.	188.4	3.7	1915.0	1315.7	690.5	112.5
May	187.6	2.4	1919.9	1318.4	682.5	111.5
June	188.9	3.2	1928.3	1322.9	692.4	112.2
July	190.4	4.2	1936.6	1327.3	702.4	113.2
Aug.	189.7	3.0	1945.0	1333.8	692.2	112.2
Sept.	190.8	3.6	1954.5	1337.7	699.8	112.8
Oct.	192.0	4.2	1964.0	1344.8	705.1	113.6
Nov.	191.8	3.5	1973.5	1350.7	698.2	113.4
Dec.	192.6r	3.7r	1956.1r	1361.2	707.9	113.9
1990:						
Jan.	192.2r	1.7r	1938.7r	1349.9	694.7	114.6
Feb.	190.7r	0.9r	1921.3r	1356.8	691.0	114.6
Mar.	192.0r	1.9r	1937.0	1363.6	698.7	114.9
Apr.	192.2r	1.6r	1952.7	1336.8r	707.5r	115.5r
May	192.3r	1.4r	1968.4	1342.9r	703.8r	115.1r
June	193.3	2.0	---	1346.7	710.0	115.4

Note: Cols. 2 and 8. The growth rates are six-month smoothed percent changes at annual rate, based on the ratio of the current month's index to the average for the preceding twelve months.

r = revised.

Sources: 3. Bureau of Labor Statistics, Production and non-supervisory workers.

4. McGraw-Hill Company, F.W. Dodge Division. Seasonally adjusted by CIBCR.

5. Standard & Poor's Corporation indexes for 13 service industries, compiled by CIBCR.

6. This series is constructed by CIBCR using the price deflator for services consumption, labor income, and an experimental monthly services output index developed by the Federal Reserve Board.

9, 10. Department of Commerce, Bureau of Economic Analysis. Quarterly data for output are interpolated by CIBCR.

11. Bureau of Labor Statistics. Payroll index, 1977 = 100, converted to 1982-84 dollars by CIBCR, using CPI, All Urban Consumers, seasonally adjusted.

12. Bureau of Labor Statistics, all employees.

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